

December 1985

Celebrating Champagne

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PUBLIC RELATIONS JOURNAL

CORPORATE ADVERTISING



Expenditures Soar

"Hybrid ads" have a
product twist

Tracking demands goals
and benchmarks

Type treatments
proliferate

PUBLIC RELATIONS JOURNAL

December 1985 Vol. 41 No. 12

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THE 14th ANNUAL REVIEW OF **CORPORATE ADVERTISING EXPENDITURES**

COMPANY corporate-advertising expenditures in 1984 in the six media surveyed soared by the highest percentage gain they have shown in the 14 years the *Public Relations Journal* has published a survey—69.2 percent. Not only was this far ahead of the 13.3 percent increase in 1983, but it reversed the previous year's corporate advertising picture, when association advertising showed the greater percentage gain.

Association advertising expenditures rose by 27.6 percent in 1984, just slightly more than the 1983 association increase of 26.0 percent.

Commenting on the unusually high percentage gains shown in company advertising, Kyra S. Koury, director of marketing and sales with Leading National Advertisers multimedia service, points out that while many firms did spend less in 1984 than in 1983—most notably AT&T, at the head of the top-ten corporate advertisers, which decreased its corporate-advertising spending by 8.9 percent in 1984—she notes that all the other companies in the top ten increased their expenditures. Says Koury, "Two factors that explain the increase in corporate advertising in 1984 were the elections and the Olympics."

J. Kenneth Kansas, manager of the communications division of Exxon—which decreased its corporate-advertising expenditures by 66 percent in 1984—speculates that some of that increase might be accounted for by the growing use of what he calls "hybrid ads"—corporate ads with a product twist.

Moreover, Ronald Rhody, APR, senior vice president at Bank of America, notes that "Major American corporations are beginning to realize they haven't done that well on selling their institutions to the public." Rhody expects even heavier corporate advertising in 1985 and 1986.

In the pilot issue of "Garbett's Quarterly," a new "corporate advertising action report" published by Thomas Garbett, perhaps the foremost observer of corporate-advertising trends, Garbett writes

that "underlying the surge in expenditures were the improved economic conditions of last year. Early indications for 1985 show that spending levels are not only holding, but continue to increase by some 15 percent to 20 percent."

Looking at a five-year span from 1980 on, corporate spending in the six media surveyed increased every year except 1982, when it dropped by 4.5 percent. The two media that saw reductions that year were consumer magazines and spot television. By 1984, consumer magazines had recovered by 44.3 percent. Spot TV rose an unusually high 245.2 percent, mostly gained in 1984.

Despite the 13.3 percent increase in corporate advertising in 1983, four media lost points that year—newspaper supplements, after a 44.3 percent increase in 1982, dropped by 44.6 percent; spot TV, down by 30.4 percent in 1982, lost another 10.4 percent; radio, up by 42.1 percent in 1982, fell by 13.5 percent; and outdoor, up by 38.0 percent in 1982, dropped by 8.2 percent in 1983. All went up in 1984.

The medium that showed the highest percentage of corporate-advertising gain in 1984 was spot TV, rising from the previous year's level by 285.8 percent. Next in rank was outdoor, in another sudden gain of 281.8 percent, following its drop in 1983. The other four media, in descending order of rank, showed newspaper supplements up by 125.0 percent; network TV up by 85.8 percent; consumer magazines up by 34.9 percent; and radio up by 6.8 percent in 1984.

What's behind the remarkable burst of corporate spending on outdoor advertising in 1984, says the Institute of Outdoor Advertising's vice president of public relations and account services, Jack Donahue, is the liquor industry's response to public outcry against liquor abuse. "Seagram's and Anheuser Busch's 'equivalent issue' and drinking-and-driving 'Know when you've had enough' ads are mainly responsible," he says. Although the Institute hasn't broken down the advertising picture,

Donahue predicts that "Outdoor in general is seeing an 8 percent increase already this year, and growth areas for this medium are going to be in health care and business-to-business advertising."

Network TV was the preferred medium for corporate messages in 1984. Consumer magazines, which previously held this position exclusively, ranked second. In third place, and still a strong contender, was spot TV, gaining, after two years of loss in 1982 and 1983, a phenomenal increase in popularity. The order of preference for the remaining media in 1984 was: radio, newspaper supplements, and outdoor.

Roger D. Rice, president of the Television Bureau of Advertising in New York, agrees with Koury and says: "Corporate advertising on TV in 1984 increased primarily because of the Olympics—the networks saw a total of \$486 million in advertising, and spot TV saw \$385 million. Corporations that wanted to reach the whole country used network; those that wanted to pick their specific markets, or parts of the country, used spot TV. And the Olympics was a big tie-in."

Association spending in 1984 increased in four media: consumer magazines by 15.6 percent, network TV by 7.9 percent, spot TV by 42.0 percent, and radio by 28.3 percent, giving the highest percentage gain in association advertising to spot TV, the same medium that saw the highest percentage of corporate-advertising gain.

Inversely, associations' reduced spending in two media, newspaper supplements and outdoor, showed a two-year pattern of direct contrast with corporate spending in those areas. While associations increased advertising in these media—especially outdoor—in 1983, they spent considerably less on them in 1984. Meanwhile, corporate advertising did the exact opposite, going down in 1983 and up, by huge percentages, in 1984.

From a ten-year perspective, ongoing PRJ survey figures for corporate and as-

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TABLE 1: SIX-MEDIA ADVERTISING EXPENDITURES, 1980-1984**Company Advertising (in \$ thousands)**

	Consumer Magazines	Newspaper Supplements	Network Television	Spot Television	Radio	Outdoor	Six-Media Totals
1980	\$217,869.7	\$4,310.3	\$159,947.3	\$39,260.1	\$7,409.7	\$470.7	\$429,267.8
1981	249,152.0	5,264.1	118,794.7	40,395.2	7,866.4	665.2	422,137.6
Percent change	14.3%	22.1%	25.7%	2.9%	6.2%	41.3%	1.6%
1982	205,300.1	7,593.8	150,102.9	28,118.1	11,175.2	918.0	403,208.1
Percent change	17.6%	44.3%	26.4%	30.4%	42.1%	38.0%	4.5%
1983	219,512.7	4,205.5	197,267.9	25,201.6	9,661.0	843.0	456,700.7
Percent change	6.9%	44.6%	31.4%	10.4%	13.5%	8.2%	13.3%
1984	296,309.9	9,465.4	366,591.8	97,080.0	10,318.9	3,219.0	782,985.0
Percent change	34.9%	125.0%	85.8%	285.2%	6.8%	281.8%	69.2%

Association Advertising (in \$ thousands)

	Consumer Magazines	Newspaper Supplements	Network Television	Spot Television	Radio	Outdoor	Six-Media Totals
1980	\$48,359.6	\$2,540.8	\$48,941.0	\$89,511.8	\$4,996.8	\$3,878.2	\$198,228.2
1981	46,222.8	1,918.4	50,125.4	119,014.1	6,130.6	4,566.7	227,978.0
Percent change	4.4%	24.5%	2.4%	32.9%	22.7%	17.7%	15.0%
1982	46,479.7	2,301.4	60,286.5	150,763.0	6,365.8	4,213.9	270,410.3
Percent change	0.6%	20.0%	20.3%	26.7%	3.8%	7.7%	18.6%
1983	46,059.4	3,569.3	70,001.7	202,838.6	8,968.7	9,600.5	341,038.2
Percent change	0.9%	55.1%	16.1%	34.5%	40.9%	127.8%	26.1%
1984	53,260.9	2,301.4	75,512.5	287,986.5	11,504.9	4,602.7	435,168.5
Percent change	15.6%	35.5%	7.9%	42.0%	28.3%	52.0%	27.6%

TABLE 2: TOP TEN LEADING CORPORATE ADVERTISERS

January-December 1984—(In \$ Thousands) Rank Order

	Magazines	Newspaper Supplements	Network Television	Spot Television	Network Radio	Outdoor	Six-Media Totals
AT&T	\$15,803.2	\$ 297.3	\$ 51,638.8	\$ 3,899.0	\$ 775.9	—	\$ 72,414.2
GM Corp.	20,089.3	289.2	22,121.9	7,473.9	1,714.6	\$ 56.3	51,745.2
Ford Motor Co.	17,708.2	28.2	23,536.9	464.2	701.4	167.6	42,606.5
IBM Corp.	7,575.6	753.2	15,788.0	274.5	—	1.0	24,392.3
Beatrice Cos. Inc.	4,299.6	—	18,980.0	—	—	—	23,279.6
Reagan Pres. Comm.	—	—	21,881.5	—	—	—	21,881.5
AMEX Co.	1,879.9	105.9	11,501.5	8,143.1	—	7.7	21,638.1
Wang Labs Inc.	1,559.9	155.4	11,687.0	2,265.7	—	—	15,668.0
GTE Corp.	5,148.7	—	7,897.6	2,296.7	—	—	15,343.0
K Mart Corp.	—	—	12,249.3	607.8	490.4	—	13,347.5
Totals	\$74,064.4	\$1,629.2	\$197,282.5	\$25,424.9	\$3,682.3	\$232.6	\$302,315.9

TABLE 3: TOP TEN LEADING ASSOCIATION ADVERTISERS

January-December 1984—(In \$ Thousands) Rank Order

	Magazines	Newspaper Supplements	Network Television	Spot Television	Network Radio	Outdoor	Six-Media Totals
GM Corp. Dlrs. Assn.	—	—	—	\$ 85,003.1	—	\$ 1.6	\$ 85,004.7
Ford Auto Dlrs. Assn.	\$ 25.3	—	—	36,208.1	—	823.4	37,056.8
Nissan Auto Dlrs. Assn.	—	—	—	33,619.5	—	—	33,619.5
American Dairy Assn.	318.3	—	\$13,792.2	8,179.8	571.8	258.2	23,120.3
Chrysler Corp. Dlrs. Assn.	—	—	—	18,440.3	—	—	18,440.3
Blue Cross/Shield Assn.	1,053.9	—	3,831.0	8,106.6	1,062.3	228.1	14,281.9
AM Corp. Dlrs. Assn.	—	—	—	11,778.2	—	—	11,778.2
Florists Transworld Dlvry. Assn.	2,442.9	123.2	6,401.0	113.3	2,548.4	5.4	11,634.2
American Gas Assn. Inc.	4,102.7	—	6,503.2	41.3	—	—	10,647.2
Toyco Kogyo Co. Auto Dlrs. Assn. Franchise	—	—	—	10,255.8	—	—	10,255.8
Totals	\$7,943.1	\$123.2	\$30,527.4	\$211,746.0	\$4,182.5	\$1,316.7	\$255,838.9

[Continued from page 28]

sociation advertising reveal an important trend. Despite the slight dip in advertising spending in 1982, corporate outlays in the six media have steadily increased over the past ten years, so that company spending in 1984 outdistances 1974 expenditures by 249 percent. However, association advertising in the same media, while remaining considerably less than company corporate expenditures, nevertheless showed the greater upward curve over the same ten-year period, with a 397.4 percent gain in advertising spending since 1974.

Total spending by the ten leading corporate advertisers in six media in 1984 was \$302.3 million. This was 36.1 percent more than in 1983. The top ten in 1984 covered a broad range of industries and interests, including technology, automobiles, communications and communications equipment, finance, foods, merchandising, and politics.

AT&T was at the top of the list for the second year in a row, although it decreased advertising expenditures by 8.9 percent in 1984. General Motors moved to second place from third, and Ford Motor Co. did the reverse. IBM stayed in fourth

place for the third year in a row. Beatrice Companies, Inc., stepped into fifth place, while Chrysler Corp., fifth in 1983, dropped out of the top ten. Sixth place went to the Reagan Presidential Committee, seventh to AMEX Co., and eighth to Wang Labs. GTE Corp., in sixth place in 1983, was ninth. Number ten was K Mart Corp.

The two media that saw substantially increased use by the top-ten corporate advertisers in 1984 were network TV, up by 42.8 percent, and spot TV, up by an impressive 400.9 percent.

Five out of ten corporate-advertising leaders were new to the list—Beatrice, AMEX, Wang, K Mart, and—the election-year entrant—the Reagan Committee.

The ten leading association advertisers spent a total of \$255.8 million in 1984, which was 38.0 percent more than 1983 spending. In the majority, six were automobile-dealer associations; the others were fuel, florist, dairy, and health-insurance associations.

GM Corporation Dealers Association still led the association ten, putting most of its advertising into spot TV, while reducing outdoor expenditures, and showing a total advertising outlay of \$85 million, or 50.8 percent more than in 1983. Ford Auto Dealers Association continued to move up,

and ranked second, nudging Nissan Auto Dealers Association into third. American Dairy Association moved up from fifth to fourth, and Chrysler also moved up one, to fifth place. Blue Cross/Blue Shield Association was sixth, AM Corp., seventh, Florists Transworld, eighth, American Gas Association, ninth, and Toyo Kogyo Company Auto Dealers Association Franchise was tenth.

Seven out of the ten leading association advertisers used spot TV as their main advertising medium; one, GM Corporation Dealers Association, almost exclusively. At variance were American Dairy, Florists Transworld, and American Gas—these did their greatest spending in network TV.

The figures reported in this survey were compiled by Leading National Advertisers (LNA) multimedia service. Newspapers are not covered in this report, except for supplements. In defining what is meant by "corporate" advertising, LNA's Koury notes, "Our reports include advertising that is devoted to selling the corporate image by extending beyond direct sale of the product or service."

—Josephine Curran

Josephine Curran is associate editor of the Public Relations Journal.

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RISK MANAGEMENT
Lemons, Litigation, and Liability

PUBLIC RELATIONS JOURNAL

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Cover sculpture and photograph by
Bruce Strachan

SALARY SURVEY

by Christopher Beyer

Editor's note: *The survey from which the following results were drawn was conducted as an insert poll in the January 1986 issue of PRJ. Respondents were self-selected readers who chose to fill in the Questionnaire and mail it back. The results are not necessarily representative of the universe of public relations professionals but offer insights into trends in the field and, in many cases, correlate well with data drawn from other formal studies.*

MEN earned median salaries that were \$11,000, or 39 percent, more on average than women in public relations in 1985, but median income for women rose 11.2 percent over the previous year (compared to 8.8 percent for men), reducing the gap by three percentage points. This and other results of the *PRJ Questionnaire* on salaries indicate that there are promising signs that the salary gap between the sexes is narrowing.

Other results from the *PRJ* poll correlate with this difference in overall median income. Women were concentrated in the lower age groups (median age 34 compared to 39 for men). Women had fewer median years of experience in the field (7.5 compared to 12). Women had spent fewer median years in their current positions (2.5 compared to 3.8). And women were more heavily represented in areas of public relations that generally pay less: women were more represented in community relations and men in corporate communications, investor relations, and public affairs; women were more likely to work for health-care organizations and men for industrial and manufacturing concerns as well as utilities.

The 473 respondents to the *PRJ Questionnaire* were 56 percent female, came from every region of the U.S. and much of Canada—but most heavily from the Mid-

west, the Northeast, and the South—and represented most areas of specialization, with media relations, publicity, corporate communications, and community relations most prominent.

The findings regarding gender-based salary differentials are similar to those reported by *pr reporter* late last year. For all age groups except those 25 to 29 years old, *pr reporter* found that men earned more, with the greatest differential in the 50-to-59 age group, where men had a median salary \$25,000 higher than women. "The good news for young women is that salary discrimination has on the whole eased—the evidence lies in the higher salary for women in the 25-29 age group," *pr reporter* wrote. Women in this group received a median salary \$2,300 higher than men in 1985.

However, while the picture looks good for younger women in the field, *pr reporter* found that comparable experience did not

necessarily translate into comparable pay. Women respondents reported lower salaries at almost all experience levels than did men. This was especially evident among older women: those with 20 to 29 years of experience earned a median salary \$19,000 less than their male counterparts.

All these figures seem to correlate with the increased number of women entering public relations. According to a recent study by the United States Labor Department, this is a trend now common to all professions: women now hold the majority of professional jobs in the United States. While men still tend to have the higher level positions, the representation of women is significant and growing at middle and lower levels as well as in professional graduate and undergraduate programs.

Also evident in the *PRJ Questionnaire* results were regional distinctions that

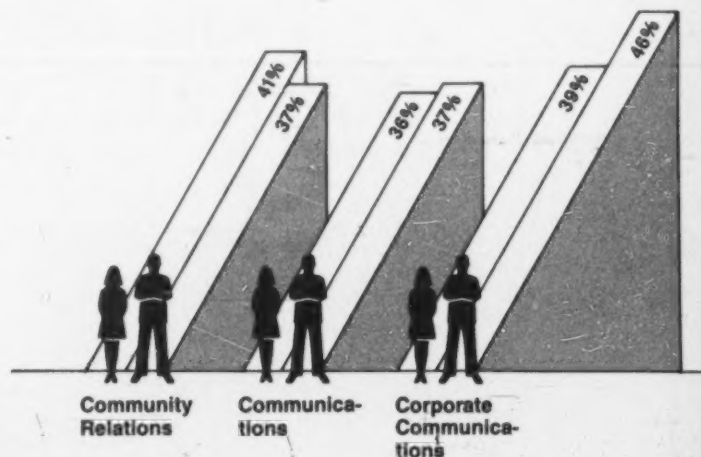


TABLE 1:

Percentages of Male and Female Respondents to PRJ Questionnaire in Salary Categories

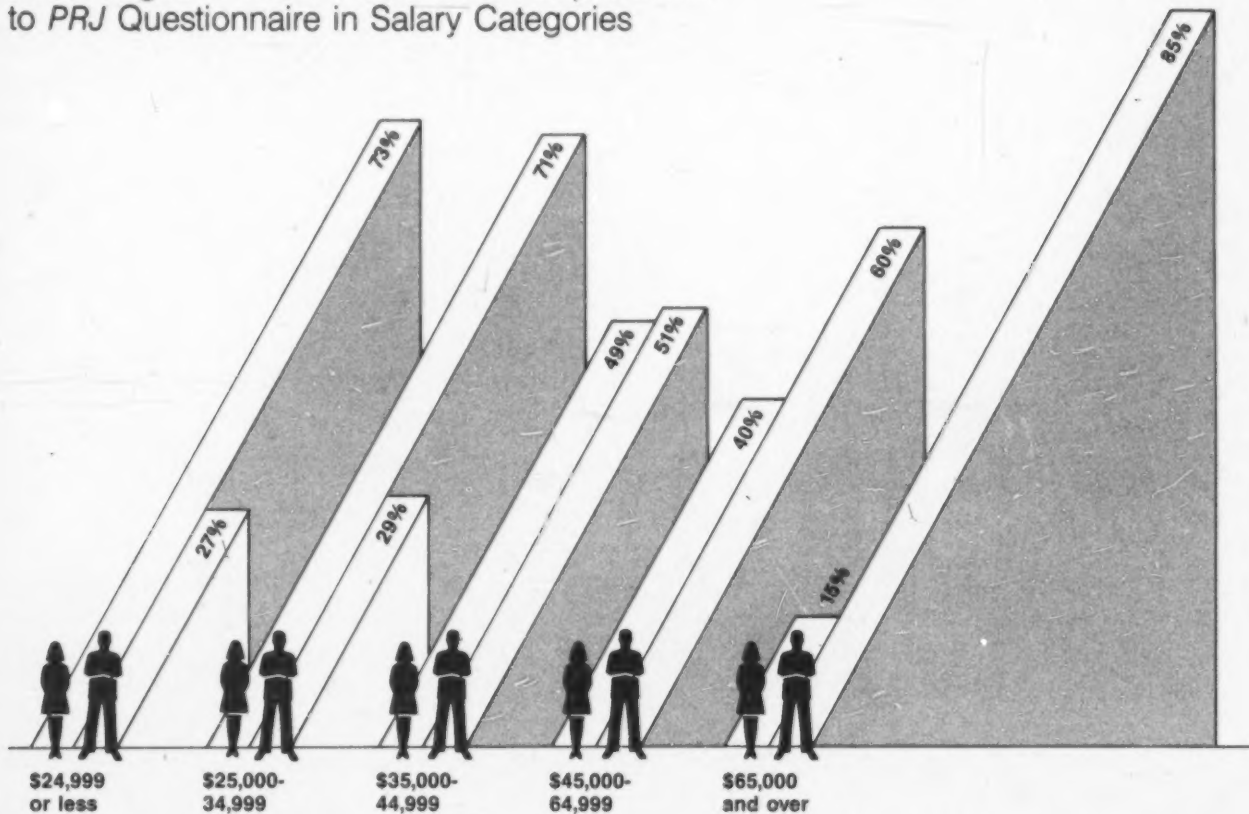


Table 1: Women, who represented 56 percent of the Questionnaire respondents, were clustered in the lower salary ranges. They were also younger and more often employed in lower paying industries and areas of specialization.

Table 2: Respondents were asked to specify areas of public relations in which they work; multiple selections were allowed. Men and women were equally represented in most areas of specialization except community relations and marketing, where women were more numerous, and corporate communications, investor relations, and public affairs, where men were more numerous.

TABLE 2:

Percentages of Male and Female PRJ Questionnaire Respondents in Different Areas of Public Relations

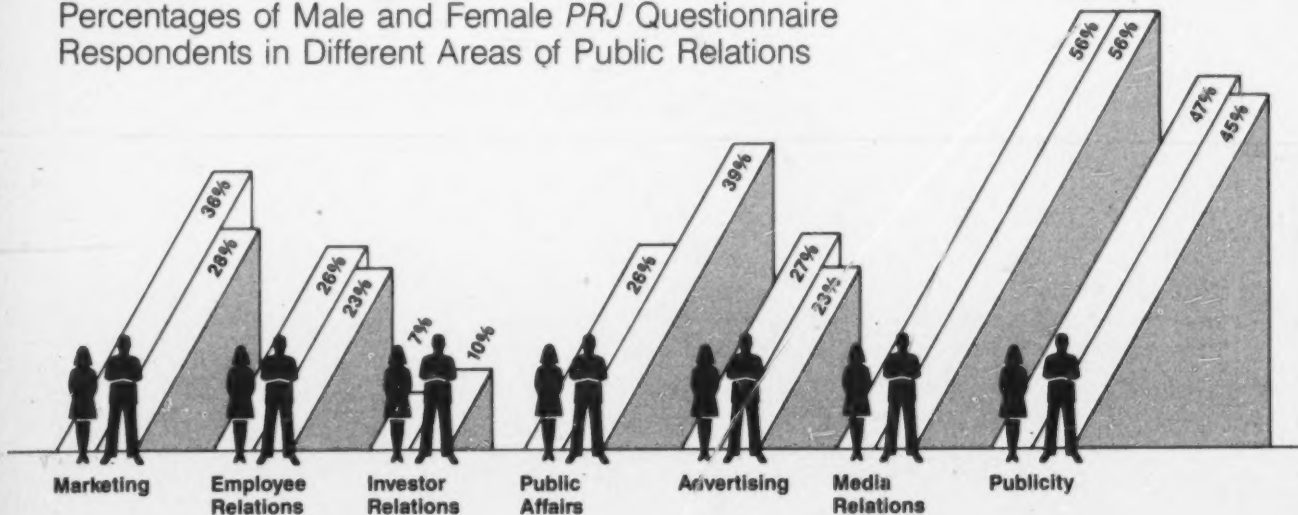
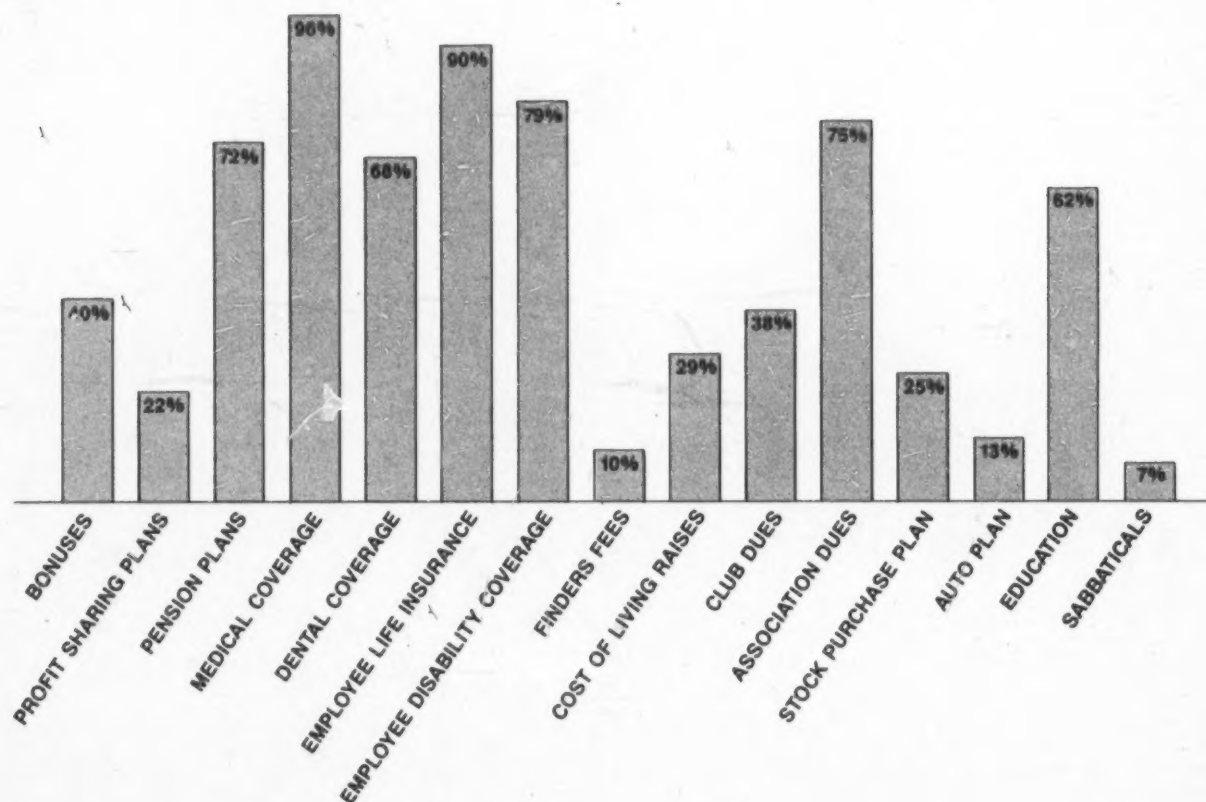


TABLE 3:

Employment Benefits Given to Respondents
to *PRJ* Questionnaire



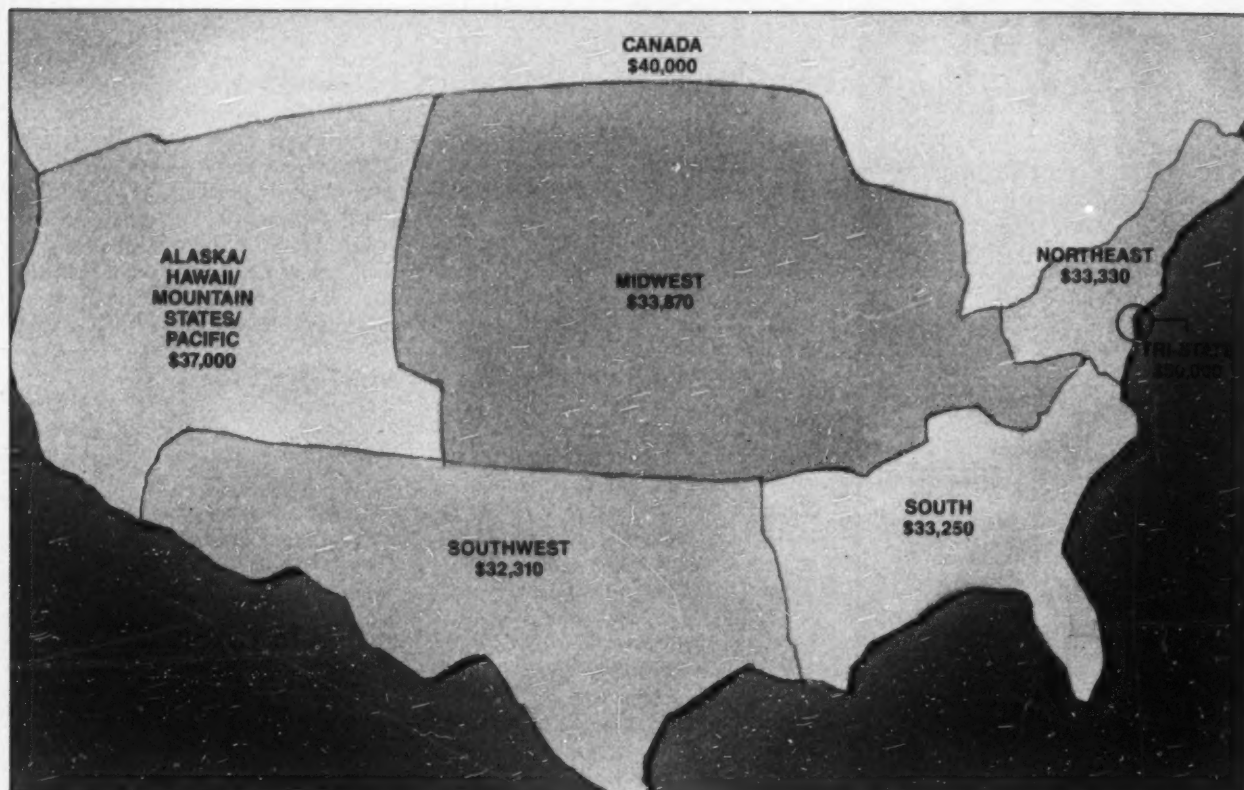
BALANCE SHEET

Other data emerging from the *PRJ* Questionnaire on salaries reveal that among respondents:

- 61 percent work for firms or departments with fewer than four public relations professionals.
- 45 percent have done graduate work.
- 63 percent of those Accredited have done graduate work.
- 41 percent of counselors are officers or partners.
- 44 percent of those not working for counseling firms are directors.
- The median salary of Accredited practitioners is 33 percent higher than those not Accredited.
- The median age of Accredited practitioners is 44; the median age of non-Accredited practitioners is 35.
- 38 percent of counselors have been in their present positions for one year or less.
- 32 percent of all other respondents have been in their present positions for five years or more.
- 7 percent have been in their present jobs for 10 years or more.
- 19 percent of those in the tri-state New York metropolitan area have been in their present jobs for 10 years or more.
- The median number of years in public relations for all respondents is 8.9.
- The median number of years in public relations for Accredited respondents is 15.6.

TABLE 4:

Median 1985 Salaries of Respondents
to PRJ Questionnaire by Geographic Regions¹



¹Please note that all regions indicated on returned Questionnaires were checked against return addresses to make sure respondents were from states categorized as follows:

Northeast: CT (part), DE, DC, MA, MD, ME, NH, NJ (part), NY (part), PA, RI, VT. **Tri-State:** CT (part), NJ (part), NY (part). **South:** AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA. **Southwest:** AZ, NM, OK, TX. **Midwest:** IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI, WV. **Mountain States/Pacific:** AK, CA, CO, HI, ID, MT, NV, OR, UT, WA, WY. **Canada:** All provinces.



showed the Southwest (TX, NM, AZ, and OK) emerging as an area with rising incomes, substantial perquisites, and professionals working in emerging and higher-paid areas of the field. Respondents from the tri-state New York metropolitan area (northern New Jersey, southern Connecticut, New York City, and the four New York State counties bordering it) reported higher median incomes (\$50,000 compared to a national median of \$34,880), more experience (14.4 years compared to 8.9 for respondents in general), longer tenure in current positions (4.4 years compared to 3), and larger public relations firms or departments (48 percent of tri-state respondents

work in firms or departments with 10 or more public relations professionals compared to 14 percent nationwide). However, more respondents from both the New York region and the Southwest reported bonuses and profit-sharing plans and more respondents in both New York and the Southwest reported investor relations and corporate communications as their areas of specialty.

Overall, the median salary of PRJ's respondents rose from \$31,900 in 1984 to \$34,880 in 1985, an increase of 9.3 percent. For all workers in the United States, the Conference Board reported a 6.4 percent rise in salaries in 1985.

Over 90 percent of respondents received medical coverage and life insurance, while most had pension plans, dental, and disability coverage. Most also received payments for association dues and education, but these increased dramatically with salary. Also more higher-paid practitioners received finders' fees, bonuses, profit sharing, and stock-purchase plans. Cost of living increases were given mainly to those with lower salaries, and sabbaticals were concentrated at the mid-level salary range. ■

Christopher Beyer is an editorial intern at PRJ.